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ZNY CCCCC ZZH
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FM AMEMBASSY LJUBLJANA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7517
INFO RUEHVB/AMEMBASSY ZAGREB PRIORITY 2417
RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEHBS/USEU BRUSSELS
RUEHGV/USMISSION GENEVA 0252

C O N F I D E N T I A L SECTION 01 OF 02 LJUBLJANA 000312

SIPDIS

E.O. 12958: DECL: 10/05/2019

TAGS: [PREL](#) [PGOV](#) [EUN](#) [SI](#) [HR](#)

SUBJECT: (C) PM PAHOR CALLS FOR URGENT U.S. ASSISTANCE TO
CLOSE ARBITRATION AGREEMENT WITH CROATIA

REF: LJUBLJANA 286

Classified By: CDA Brad Freden, E.O. 12958, reasons 1.4(b) and (d)

1.(C) Summary. Slovenian Prime Minister Borut Pahor told Charge October 5 that Slovenia cannot consider any modifications to the text of the June 15 Rehn proposal beyond what has already been agreed. With the government under withering attack from the united parliamentary opposition, Pahor insisted that any changes would derail the arbitration agreement in Slovenia. A new Slovenian blockade of Croatia's EU accession is likely if the agreement collapses. The Prime Minister requested Washington's urgent assistance in helping the two sides reach and sign an agreement as quickly as possible. Charge repeatedly pressed Pahor to accept language outside the Rehn text that would reiterate the non-prejudicial nature of Article 3. His emotions clearly visible, Pahor insisted that language in Article 3 giving the arbitration panel the ability to interpret the text guaranteed the non-prejudicial nature of the document, and that both the Swedish Presidency and Enlargement Commissioner Rehn agreed with this interpretation. He pleaded for Washington to understand his dire political predicament and to use its influence to convince Zagreb to forego any clarifying language, at least until after the agreement is signed. Pahor did seem to acknowledge one thing: that the only alternative to clarifying Article 3 is convincing the Croatia side that Article 3 is not prejudicial. End summary.

2.(C) Slovenian Prime Minister Borut Pahor requested an unscheduled meeting with the Charge on October 5 to ask for urgent U.S. assistance in overcoming the last remaining obstacle to signing the bilateral agreement for arbitration on the Slovenia-Croatia Border Dispute. Foreign Policy Advisor to the Prime Minister Marko Makovec and Pol-Econ Chief were also present at the meeting. An animated, but tired-looking Pahor urged Washington to convince Zagreb to sign the agreement as soon as possible in its September 11 agreed upon form, as any changes or new language could completely derail the ratification process in Slovenia. The Prime Minister told Charge that U.S. diplomacy to date has been crucial in moving the process along, and he pleaded once more for Washington's friendly intervention with Zagreb. Underscoring the urgency of the situation, Pahor explained that he is "hanging in the air" in Parliament. The situation has become critical as the parliamentary opposition becomes increasingly vociferous in its criticism of the government, with even some government back-benchers beginning to waver. Pahor explained that if support for the arbitration agreement was lost in Parliament, then a referendum would be certainly lost as well. The Prime Minister tried to link the signing of the arbitration agreement with upcoming international discussions on Bosnia, saying that Swedish Foreign Minister Bildt had called the arbitration agreement between Slovenia and Croatia a prerequisite for progress in Bosnia.

3.(C) Pahor called the situation "critical" and stressed that

Zagreb needed to honor the Rehn II compromise proposal as agreed to by both sides with the Croatian-proposed amendment to Article 7 (concerning the deadline for decision by the arbitration panel). The Prime Minister said it was very clear from his previous meeting with Croatian Prime Minister Kosor that no new amendments would be made after the two sides agreed to not make any changes to Article 3. He explained the Croats attempted to reopen the discussion on Article 3 in Brussels the previous week, but that Slovenia and Swedish FM Bildt were firm that nothing other than Article 7 could be modified.

4.(C) Charge told the Prime Minister that Washington appreciated the political risks he has taken to find a workable solution to the impasse. He promised to convey the Prime Minister's message to Washington and recommended approaching the Swedes in their position as President of the EU. Charge explained that Croatia would have to be convinced that the current language was not prejudicial to any one side before Zagreb would sign the agreement. Charge elaborated that the perception in Washington was that Pahor was willing to consider text outside of the agreement that would provide Zagreb with the language Croatia needed to ensure the agreement's neutrality and save face. The Prime Minister responded that Slovenia was adamant that the text of the agreement must remain unmodified, and that it would be "better to have nothing, than a new declaration." A new statement was unacceptable. When the Charge responded that he seemed to be asking for the impossible, Pahor grudgingly conceded that a third-party statement regarding the non-prejudicial nature of the Rehn proposal could be acceptable, but only after the agreement was signed.

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5.(C) Regarding recent statements made by opposition leader and Slovenian Democratic Party (SDS) President Janez Jansa, the Prime Minister said that Jansa was critical of the arbitration agreement, but that he has not yet clearly stated that he is ready to go forward with calling a referendum. Charge conveyed Washington's displeasure with Jansa's unproductive statements. Pahor said that Jansa is still "waiting" to see how the issue plays out.

6.(C/NF) Zagreb is planning to host a large expo later this month to promote Slovenian-Croatian business ties, which top leaders from both countries are expected to attend. Prime Minister Pahor told Charge in confidence that he would not participate in the expo if the agreement was not signed at least a week in advance. The Prime Minister warned that the situation in Bosnia was very sensitive now and repeated his earlier statement that the region could not let the agreement between Croatia and Slovenia fail.

17. (C) Comment. The urgency of this meeting and Prime Minister Pahor's disposition throughout indicate that he feels extreme pressure at home to sign the arbitration agreement within the next few days or risk political death by a thousand cuts. He asked for Washington's direct intervention at what appears to be a critical juncture. Our assessment is that further changes to the actual text of the June 15 Rehn agreement would cause support for the agreement within Pahor's own coalition to begin crumbling, and would leave Jansa in a strong position to derail the agreement and possibly bring down the government. We therefore focused on trying to convince Pahor to accept the non-prejudicial language in a side letter or statement from the Swedish Presidency. He was not convinced, but he did seem to understand one thing: the only alternative to clarifying Article 3 is convincing the Croatia side that Article 3 as currently drafted will not prejudice the outcome of arbitration. We went around and around with Pahor about the need to make the latter assertion explicit, i.e., to simply acknowledge publicly what everyone is saying privately. Charge told Makovec after the meeting that the U.S. was unlikely to be able to convince Croatia that the current

language is not prejudicial; this task would necessarily have to fall to the Commission and the Presidency as drafters of the agreement. Charge urged Makovec to accept clarifying language outside the Rehn agreement and then take the fight to Jansa. Meanwhile, we will engage forcefully with Jansa to try to convince him to back off on his criticism of the agreement. End comment.

FREDEN